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# Assessment of the development state of organizational and cultural resources of international tourism business

**M. O. Kalnitska<sup>†</sup>**

**Purpose** – to investigate the state of development of organizational culture of legal entities engaged in tourism business in order to further improve the mechanism of development of organizational and cultural resources involved in the international tourism business.

**Design/Method/Approach.** The method of analysis has been applied when investigating the state of market development of tourism business; the questionnaire method – when assessing the state of development of organizational culture of the tourism business in Dnipropetrovsk oblast; the method of logical generalization – to draw conclusions based on the results of the survey.

**Findings.** Author has analyzed current market of tourist services and revealed main trends in development. The trend of further development of the sector has been illustrated; active growth in the number of accommodation facilities has been identified, specifically hotel chains. The rating of hotel brands has been compiled, which compares national and international hotel brands in terms of the number of accommodation facilities available in the tourist market. The author has given the authentic definition of organizational and cultural resources in the business of international tourism. Competitiveness factors for the entities of tourism business have been determined, which include organizational culture among the organizational and cultural resources. An express-algorithm has been presented in order to evaluate the state of development of the organizational culture of a tourism business entity. The results of the study graphically illustrate the assessment of the state of development of the organizational culture by the tourism business entities in Dnipropetrovsk oblast.

**Practical implications.** The research results will be applied in the further formation of the mechanism of development of organizational and cultural resources in tourism business. The proposed express-algorithm and the questionnaire could be used in order to estimate the state of development of organizational culture by enterprises in different businesses.

**Originality/Value.** The scientific-theoretical provisions for the formation of tourism business in Ukraine have been further developed through the assessment of state of development of organizational culture, which, in contrast to existing ones, are based on the results of surveying the entities of tourism infrastructure, which makes it possible to identify the main components in the system of competitiveness management by assessing key performance indicators in the management system related to the development of organizational and cultural resources.

**Research limitations/Future research.** The research results could create a basis of the mechanism for developing the organizational and cultural resources in international tourism business.

**Paper type** – empirical.

**Keywords:** organizational culture; organizational and cultural resource; international tourism business; tourism business entities.

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## Оцінка стану розвитку організаційно-культурних ресурсів міжнародного туристичного бізнесу

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**Мета роботи** – дослідити стан розвитку організаційної культури суб'єктів туристичного бізнесу для подальшої розробки механізму розвитку організаційно-культурних ресурсів міжнародного туристичного бізнесу.

**Дизайн/Метод/Підхід дослідження.** Використано метод аналізу при дослідженні стану розвитку ринку туристичного бізнесу, метод анкетування – для оцінки стану розвитку організаційної культури туристичного бізнесу Дніпропетровської області, метод логічного узагальнення – для формування висновків за результатами анкетування.

**Результати дослідження.** Проаналізовано сучасний ринок туристичних послуг та виявлено основні тренди розвитку. Проілюстровано тенденцію подальшого розвитку галузі, визначено активне зростання кількості суб'єктів розміщення, зокрема готельних мереж. Складено рейтинг готельних брендів, де зазначене порівняння національних та міжнародних готельних брендів з точки зору кількості представлених на туристичному ринку об'єктів розміщення. Наведене авторське визначення організаційно-культурних ресурсів міжнародного туристичного бізнесу. Визначені фактори конкурентоспроможності суб'єктів туристичного бізнесу, серед яких є організаційна культура в числі організаційно-культурних ресурсів. Представлено експрес-алгоритм оцінки стану розвитку організаційної культури суб'єкта туристичного бізнесу. Результати дослідження графічно ілюструють оцінки стану розвитку організаційної культури суб'єктів туристичного бізнесу Дніпропетровської області.

**Практичне значення дослідження.** Результати дослідження будуть використані при подальшому формуванні механізму розвитку організаційно-культурних ресурсів туристичного бізнесу. Запропонований експрес-алгоритм та анкета можуть бути використані для оцінки стану розвитку організаційної культури суб'єктів різних видів бізнесу.

**Оригінальність/Цінність/Наукова новизна дослідження.** Набули подальшого розвитку науково-теоретичні засади формування туристичного бізнесу в Україні через оцінку стану розвитку організаційної культури, які на відміну від існуючих, ґрунтуються на результатах анкетування суб'єктів туристичної інфраструктури, що дозволяє виокремити основні складові системи управління конкурентоздатністю шляхом оцінки ключових показників системи менеджменту в частині розвитку організаційно-культурних ресурсів.

**Обмеження дослідження/Перспективи подальших досліджень.** Результати дослідження можуть бути закладені в основу механізму розвитку організаційно-культурних ресурсів міжнародного туристичного бізнесу.

**Тип статті** – емпірична.

**Ключові слова:** організаційна культура; організаційно-культурний ресурс; міжнародний туристичний бізнес; суб'єкти туристичного бізнесу.

## Оценка состояния развития организационно-культурных ресурсов международного туристического бизнеса

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**Цель работы** – исследовать состояние развития организационной культуры субъектов туристического бизнеса для дальнейшей разработки механизма развития организационно-культурных ресурсов международного туристического бизнеса.

**Дизайн/Метод/Подход исследования.** Использован метод анализа при исследовании состояния развития рынка туристического бизнеса, метод анкетирования – для оценки состояния развития организационной культуры туристического бизнеса Днепропетровской области, метод логического обобщения – для формирования выводов по результатам анкетирования.

**Результаты исследования.** Проанализировано современное рынок туристических услуг и выявлены основные тренды развития. Проиллюстрировано тенденцию дальнейшего развития отрасли, определены активный рост количества субъектов размещения, в том числе гостиничных сетей. Составлен рейтинг гостиничных брендов, где указано сравнения национальных и международных гостиничных брендов с точки зрения количества представленных на туристическом рынке объектов размещения. Приведенное авторское определение организационно-культурных ресурсов международного туристического бизнеса. Определены факторы конкурентоспособности субъектов туристического бизнеса, среди которых организационная культура в числе организационно-культурных ресурсов. Представлены экспрес-метод оценки состояния развития организационной культуры субъекта туристического бизнеса. Результаты исследования на графиках иллюстрируют оценку состояния развития организационной культуры субъектов туристического бизнеса Днепропетровской области.

**Практическое значение исследования.** Результаты исследования будут использованы при дальнейшем формировании механизма развития организационно-культурных ресурсов туристического бизнеса. Предложенный экспрес-метод и анкета могут быть использованы для оценки состояния развития организационной культуры субъектов различных видов бизнеса.

**Оригинальность/Ценность/Научная новизна исследования.** Получили дальнейшее развитие научно-теоретические основы формирования туристического бизнеса в Украине через оценку состояния развития организационной культуры, в отличие от существующих, основываются на результатах анкетирования субъектов туристической инфраструктуры, позволяющей выделить основные составляющие системы управления конкурентоспособностью путем оценки ключевых показателей системы менеджмента в части развития организационно-культурных ресурсов.

**Ограничение исследования/Перспективы дальнейших исследований.** Результаты исследования могут быть заложены в основу механизма развития организационно-культурных ресурсов международного туристического бизнеса.

**Тип статьи** – эмпирическая.

**Ключевые слова:** организационная культура; организационно-культурный ресурс; международный туристический бизнес; субъекты туристического бизнеса.

## Introduction

The conditions of business globalization have almost completely changed the system of relations between the employer and the worker, the organization and the consumer, business and industry. The turbulence in external environment puts forward more pressing issues and challenges to business entities, which require flexible internal organizational environment to the demands and trends of rapid changes in tourist flows, therefore, in order to improve competitiveness and sustainable growth of their economic efficiency, to enable the constructive development of tourism industry, it is a relevant task to implement innovative ideas and technologies in the processes of domestic and international tourism business.

The tourism sector is an important component of GDP in many countries of the world. The rapid growth in profits of international business due to tourist activity, as well as the trend towards further growth, is ensured by the social, economic, and technological drivers. The increased competition, emergence of new players in the global tourism market, consolidation of business, make companies look for new ways to improve efficiency, strengthen competitive advantages, ways to define individuality, creating and maintaining the image and brand. Along the path to expansion and retention of leading positions in the world arena, the key players in international tourism business highlight, among the priority directions of transformation, the development of organizational culture as part of the organizational and cultural resources.

The issues of developing the organizational culture were addressed in many works by both foreign and domestic scholars. E. Shein (Shein, 2016) argues that the organizational culture of any business acquires the form of an iceberg and has a defined set of elements that support the three main levels of culture. The classic V. Sathe (Sathe, 1983) outlines seven organizational processes that are impacted by organizational culture and proves that a holistic, structured and strong organizational culture regulates the economic efficiency of business by influencing the cooperation between employees and company's departments, the process of decision making, monitoring, communications, organizational patriotism, perception of organizational environment, justifying personal conduct. G. Hofstede (Hofstede, 1980) emphasizes the national and cultural influence on the process of forming an organizational culture at enterprises, which brings studying the organizational and cultural processes at the global level. He highlights a certain identity in the organizational cultures of businesses depending on six cultural measurements, characteristic of a given cultural group, and claims that it is possible, based on the defined measurements, to assess organizational culture in order to facilitate making management decisions. A significant contribution to the development of scientific and practical application of organizational culture in individual sectors of the economy has been made by Ukrainian scientists as well. O. Kharchishyna (Kharchishyna, 2011) identified the features in the formation of organizational culture at enterprises in food industry. To study this issue, she analyzed the procedures and methodology of diagnosing, and performed an analysis of the current state of Ukraine's food industry, as well as Zhytomyr oblast; the results were reported from a questionnaire survey on the state of formation and development of the organizational culture of food business; she identified the main problems and prospects for forming organizational culture in the system of management of Ukraine's food industry. G. Zakharchyn studied the theory and methodology in the formation and development of organizational culture at a machine building enterprise (Zakharchyn, 2011); this work suggested a model for the choice of optimal strategy in the formation and development of organizational culture at the level of a machine-building enterprise. The development of organizational culture of services was revealed in the works by O. Krupskyi (Krupskyi, 2014). In particular, the author argues that the organizational culture of tourism business is capable of providing a high level of service at all stages of a trip, which increases the cost and value of a tourist product.

However, there remain the unresolved issues about the specificity in the development and evaluation of the economic impact of organizational culture on international tourism business. There is an actual need to refine the conceptual apparatus, to explore key directions in the development of international tourism business. More relevance is acquired by the mechanism that manages the social resource of international business related to services, in particular, the development of organizational and cultural resources in international tourism business.

## Problem statement

Our aim is to explore the state of development of organizational culture by entities in tourism business in order to further develop the mechanism of development of organizational and cultural resources in international tourism business.

## Methods and Data

The method of analysis has been applied when investigating the state of market development of tourism business; the questionnaire method – when assessing the state of development of organizational culture of the tourism business in Dnipropetrovsk oblast; the method of logical generalization – to draw conclusions based on the results of the survey. The information basis of this study includes international and domestic scientific publications on the topic of research, as well as responses to the survey.

## Results and Discussion

The tourism industry develops quite dynamically, although it experiences crises from time to time, as a result of economic and political crises in the world.

Based on statistical data by UNWTO and UNCTAD, one can argue that in terms of such indicators as a share of the world travel market, the intensity of tourist flows and the level of profits, there is a group of countries that are the traditional monopolists in the world tourist market. These include China, France, Spain, Italy, Germany. The main factors that predetermine the leading position of a given group of countries are a strong tourist infrastructure, the high level of service for tourists, and considerable marketing activities in promoting their tourist product to the world market (UNWTO, 2017).

The world tourism industry showed a robust growth over five years up to 2017. International tourist arrivals continued to rise (World Bank Annual report, 2017) because a global income per capita increased while consumer confidence improved (Fig. 1).

It is expected that the industry will continue to grow in coming years as the world economy continues to strengthen. Despite certain problematic areas because of conflicts or regional economic problems, such factors as an increase in the available income per capita and the improved consumer confidence testify to a significant growth of tourism.

Over the investigated period of 2011-2016, the demand in the international market of tourism services was quite high. However, the results of tourist destinations appear ambiguous, driven by rapidly fluctuating foreign exchange rates, falling prices for commodities, including oil, increasing concerns related to safety and protection of people. That was contributed to by an increase in available income in the countries that import tourists and by a decrease in demand in exporting countries. Being a core category of international trade in services under conditions of slow economic recovery, the expenses for international tourism grew considerably.

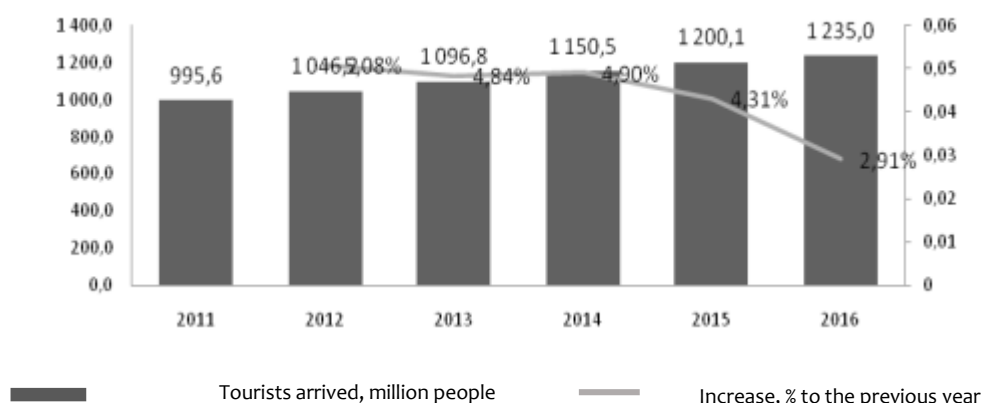


Fig. 1. The global dynamics of tourists' arrivals\*

\*Source: compiled by Author based on statistical data (UNWTO, 2017).

The tourist industry in Ukraine, and globally in general, acts as an important component of socio-economic development. According to data from studies, the positive influence of tourism on economic activity is constantly growing (Font, 2017). Ukraine occupies one of the leading places in Europe in terms of resort facilities and recreational resources. Among them, the most valuable are the unique climatic zones of sea coast and the Carpathian Mountains, as well as mineral waters and therapeutic muds of almost all known balneological types. According to statistics, resort and recreation areas in Ukraine make about 9.1 million hectares, 15 % of its territory. Evaluation of the potential of resort and natural medicinal resources makes it possible to expect that Ukraine has significant prospects for the development of tourism industry (Miroshnyk, 2013).

It should also be noted that in Ukraine there are all the prerequisites for the development of tourism. Convenient geographical location, favorable climate, varied terrain, a unique combination of natural recreational resources, cultural and historical heritage, the developed sanatorium-resort base – all these factors predetermine the competitive advantages of Ukraine when offering a tourist product. The tourist potential of Ukraine has not been fully revealed up to now, as evidenced by a 1.5-2.5 % share of tourism industry in the structure of the country's GDP (Miroshnyk, 2013).

Difficult political situation, military activities, "the fall" of the Ukrainian hryvnia, the rising cost of goods and services under conditions of "frozen" wages, issues related to dangers of holidaymakers, are taking a toll on the tourism sector. In addition, the military conflict in the East of Ukraine significantly worsened tourist attraction for foreigners, which is testified to by the dynamics of foreign citizens that enter Ukraine (Fig. 2). However, starting from 2016, there has been a marked growth in foreign guests.

In addition, Ukraine has recently seen an annually growing number of visitors from Western countries such as the United States, France, Germany, Italy, United Kingdom, Canada, and others. (Fig. 3). At the same time, the number of people from neighboring countries, such as Russia, Poland, Hungary, Slovakia, on the contrary, decreases.

This means that the facilities in tourist infrastructure (hotels, restaurants, recreational complexes) undergo some changes in the requirements by customers and have to respond to these challenges. Western customers, on the one hand, tend to have higher levels of income, and, on the other hand, are more demanding in terms of services, quality of a service, digital technologies, as well as organizational culture related to entities in tourist business. The dynamics of visits of Ukrainian citizens abroad are shown in Fig. 4.

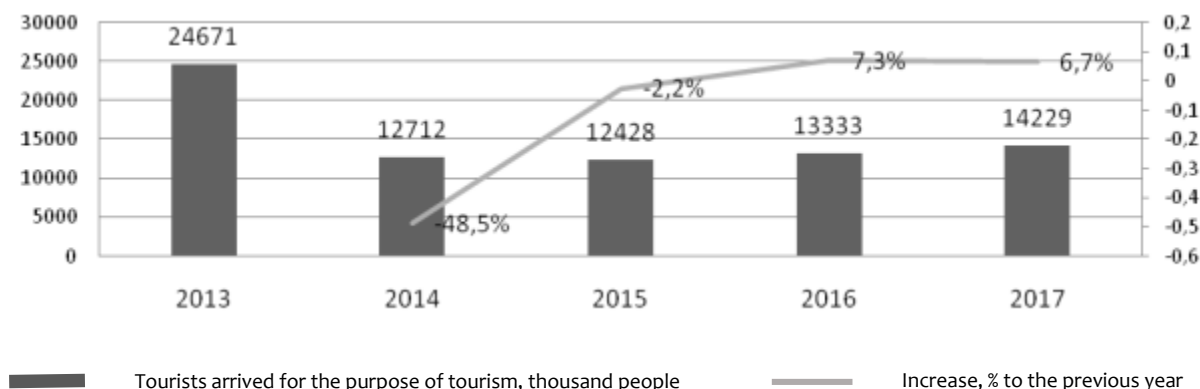


Fig. 2. Foreigners that enter Ukraine\*

\*Source: compiled by Author based on statistical data (UNWTO, 2017).

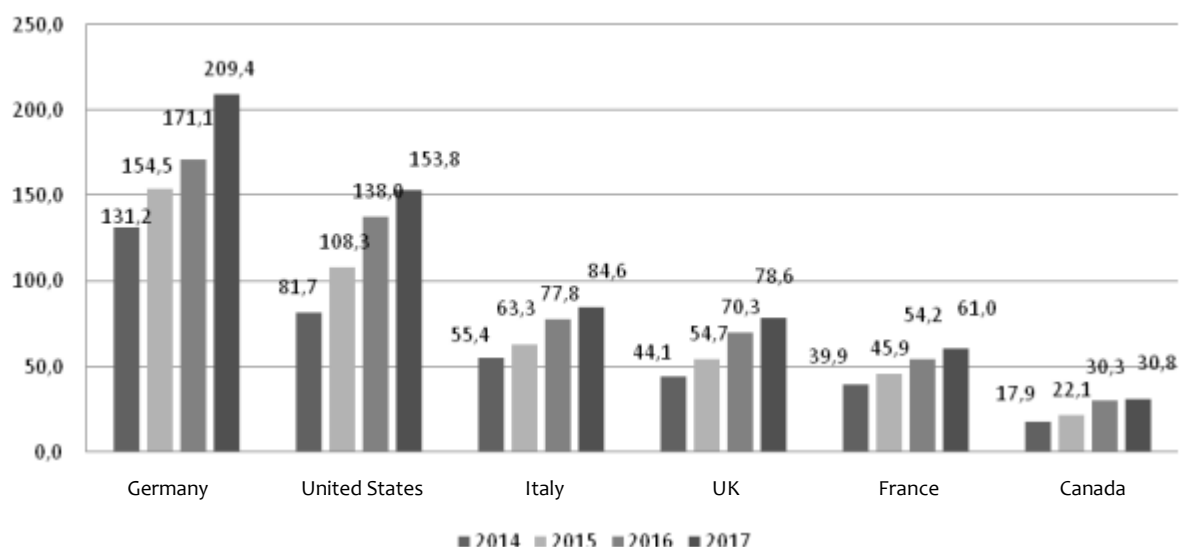


Fig. 3. Dynamics in the number of foreign citizens from leading Western countries that enter Ukraine\*

\*Source: compiled by Author based on statistical data (UNWTO, 2017).

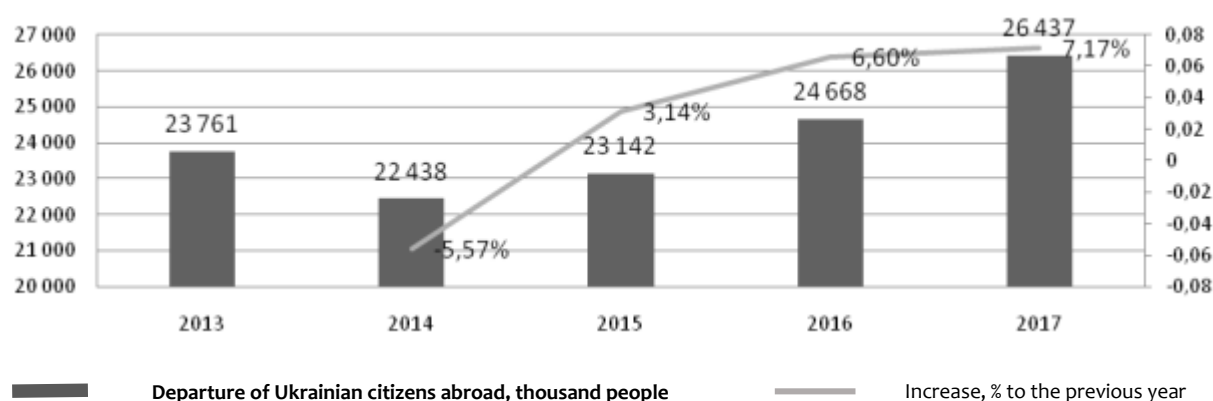


Fig. 4. Departure of Ukrainian citizens abroad, thousand people\*

\*Source: compiled by Author based on statistical data (UNWTO, 2017).

When assessing the current organization of Ukraine's recreation industry, it can be argued that it is unsatisfactory and non-competitive in the world market. Thus, the basic material-technical complex is outdated – 70 % of its infrastructure need renovation and restoration, the level of service does not meet international standards, the entertainment sector is practically underdeveloped and not organized, monuments of culture and history are abandoned, a series of problems of the ecological, social and economic nature were not resolved. The current state of tourism in Ukraine is still dominated by the Soviet practice of the organization of tourism industry aimed at meeting the domestic demand and focused on treatment and rehabilitation activities.

Active growth is taking place not in the sector itself, but rather at the level of international corporations. Every year such giants as Marriott International, Inc, Hilton Worldwide Holdings Inc, Hyatt Hotels Corporation, increase the number of their brands and hotels, creating global corporate structures, which however require high-quality management decisions and individual approach to each client and employee.

International hotel network as the subjects of international tourist business operating in many countries create their own management companies or use the services of independent companies. It is a common fact that hotel owners enter into

contracts for the management of their property if the number of rooms in a hotel exceeds 300 (Botha, 2018). Despite the advantage of management contracts, which implies managing a hotel professionally, there are disadvantages, too.

It should be noted that growing competition and the emergence of new brands in the global tourism market forces companies to seek new sources to improve efficiency, strengthen competitive advantages and to ensure sustainable growth.

A widely used organizational-legal form in the organization of international tourism business is a corporation. Such commercial structures, mostly large organizations, have much more opportunities to shape organizational and cultural resources. They typically affect not only the economy of a country, but politics and social life as well. Hence the meticulous attention to their activities from society, as well as the importance of organizational culture for business.

Promising directions and trends in the development of the Ukrainian market of hotel services include the following (Kutschera, 2016):

1. Active growth of small hotels. It is associated with the modern preferences of tourists – to regard a hotel not only as a means of accommodation, but to feel home comfort, uniqueness, and

originality, which is one of the distinctive features of small independent hotels. A competitive advantage of a small hotel is the individual attitude to each client, that is they apply a personalized approach to guests to create an atmosphere of home away from home. The advantage of a segment of mini-hotels is a rather fast payback (3-5 years) at relatively small investment (USD 0.2-2 million).

2. Great demand for the cheapest accommodation facilities – hostels. There is practically no competition among them while the demand is huge, since most visitors are those on business trips from regions, students, low-cost tourists who are satisfied with the minimum facilities overnight. In Kyiv, there are slightly more than a dozen hostels.
3. A developing market of apartment hotels, which has not yet been saturated in Ukraine. Apartments in the world practice are the furnished hotel rooms that combine comfort and hospitality of hotel services. Most apartment hotels are arranged at the upper floors of hotels and multifunctional complexes, located in prime areas. Apartments can be offered for both short-term and long-term rentals, as well as for sale. The world practice has long ago accepted acquiring a separate residence in a hotel as a private property; in Ukraine, however, similar projects are at the stage of implementation.
4. Hotels of high-end class the type of a congress hotel. Due to that the capital and major cities of Ukraine are dominated by representatives of business circles, businessmen who come to negotiate or on business trips, there is a need in hotels with large conference rooms, banquette and negotiation facilities, located not far from offices and business centers.
5. Expansion of the market for hotels rated at 2-3 stars and hotels of lower categories, as there are too many hotels rated at 4-5 stars.
6. Development of local hotel chains.

In recent years, the hotel sector enterprises have developed under negative conditions, which led to a decrease in tourist and business activity, financial underpayment, the lack of hotel complexes attractive for construction, land plots, long payback period of such projects, etc. Only those hotels that are staffed with highly skilled specialists can withstand competition, which is why one of the ways to solve the problems related to the development of hotel industry in the regions of Ukraine is the professional training of personnel. In addition, enhancing the activities to promote the hotel industry in Ukraine will, to some extent, reduce external competition. In addition, the entities of tourism business under current tourist market conditions in Ukraine should emphasize the formation of extra service as an element of organizational culture, that is to meet the needs of the consumer to outperform his expectations, and that necessitates continuous development and personnel training.

We believe that an important factor for the successful development of a hotel is the formation of its brand and the network. In Ukraine, national brands have only started to emerge. The most powerful national network is Reikartz Hotels & Resorts – a chain of hotels rated at 3 and 4 stars, located in big cities and attractive resorts of Ukraine. The network has 5 brands: VitaPark, Reikartz, Reikartz Collection, Optima, and Raziotel, 36 hotels in total located in 24 cities and regions (Fig. 5).

Based on data from the official websites of hotel chains, we have compiled a rating of hotel brands, which compares national and international hotel brands in terms of the number of accommodation facilities available in the tourist market (Table 1). Premier Hotels and Resorts is the first hotel chain in Ukraine, a collection of hotels rated at 5 to 3 stars. The chain "Black Sea Hotels Group" includes 7 hotels in Ukraine.

In Ukraine, the rating system based on stars is not very popular. For example, according to the website booking.com, only 95 % of all represented hotels have been rated based on "stars" (Table 2).

Given this, both small hotels and hotel chains have to focus on the development of organizational and cultural resources that would provide a tourism business entity with competitor advantage and match the trend of current tourism market. The concept of organizational and cultural resources and the development of organizational culture as one of the components in the Ukrainian tourism business have not taken a proper place in the list of the most important categories operated by top managers.

The organizational and cultural resources in tourism business are understood here as the integrated set of cultural values and organizational resources, whose specific arrangement affects the management system of a separate entity, which, under condition of high reactivity and adaptation to the external environment, gives a competitive advantage to a tourism business entity by forming a unique image, improving competitiveness and investment attractiveness. Among the elements of organizational and cultural resources of tourism business we highlight the phenomenon of organizational culture, which manifests itself through the identification of an employee's own goals with the goals of the organization and of the organization in general. Thus, in turn, the organizational objectives and organizational culture of an individual entity are identified with the goals and strategy of the development of tourism business through the creation of generally accepted cultural norms and values.

Thus, we believe that the organizational culture of a separate tourism business entity is the value-forming element of the organizational and cultural resources of the international tourism business in general, which is why we shall focus our further research on studying the status and specificity of development of the organizational culture of tourism business entities.

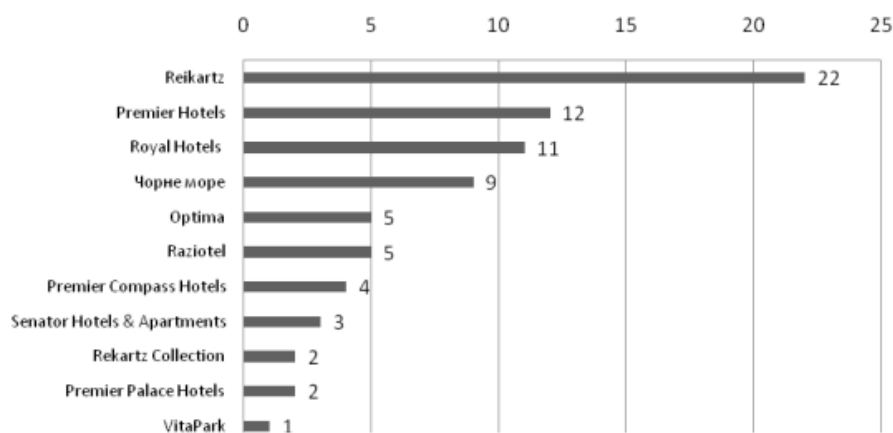


Fig. 5. National brands of hotels in Ukraine, number of hotels, 2018)\*

\*Source: compiled based on official websites of hotel chains.



Table 1

Rating of national and international hotel brands based on the number of hotels in Ukraine\*

№	National brands in Ukraine	Number of hotels in Ukraine	Parent company	№	International brands in Ukraine	Number of hotels in Ukraine	Parent company
1	Reikartz	22	Reikartz	1	Radisson Blu	3	Rezidor Hotel Group
2	Premier Hotels	12	Premier Hotels & Resorts	2	Hotel IBIS	3	Accor
3	Royal Hotels	11	Royal Hotels & Spa Resorts	3	Ramada	2	Wyndham Worldwide Corp
4	Black Sea	9	Black Sea Hotels Group	4	Hilton	1	Hilton Worldwide Holdings
5	Optima	5	Reikartz	5	Renaissance Hotels	1	Marriot International
6	Raziotel	5	Reikartz	6	Hyatt	1	Hyatt Hotels Corp
7	Premier Compass Hotels	4	Premier Hotels & Resorts	7	Sheraton	1	Starwood Hotels & Resorts
8	Senator Hotels & Apartments	3	Senator Hotels & Apartments	8	Aloft	1	Starwood Hotels & Resorts
9	Rekartz Collection	2	Reikartz	9	InterContinental	1	Intercontinental Hotels Group
10	Premier Palace Hotels	2	Premier Hotels & Resorts	10	Design Hotels	1	
11	VitaPark	1	Reikartz	11	Park Inn by Radisson	1	
				12	Holiday Inn Hotels & Resorts	1	Intercontinental Hotels Group

\*Source: compiled based on official web sites of hotel chains.

Table 2

Distribution of hotels rated based on "stars"

Rated based on stars	Number of hotels	Share, %
1 star	8	0,08%
2 stars	30	0,31%
3 stars	278	2,86%
4 stars	170	1,75%
5 stars	43	0,44%
Not rated	9196	94,56%
Total	9725	100,00%

\*Source: compiled based on official web sites of hotel chains.

Organizational culture is expressed in the interaction between a tourist company and a client. This includes all the elements that characterize the features of contact between the enterprise and external environment: the capability to make their voices heard, to attract attention, to elicit sympathy. This certainly includes advertising activities and the work of public relations specialists at a tourism organization, etc. Of great importance in the formation of culture is the existence of the image and brand of the organization.

The image is in other words a psychological image and a "good" name of a company that are created in the external environment. This is one of the most important components of successful development of a tourism company, the aim of which is not so much to ensure popularity, but to form trust to a company, its activity and the resulting product.

A hotel network is a long-term mutually beneficial association of hotel businesses, as well as firms in related industries, into a single structure and the system of strategic cooperation with the aim of creating common distinctive competencies. The development of cooperation is promoted by the unified strategy and joint mutually beneficial strategic actions (especially marketing activities) based on a general system of information communications (including unified reservation systems and global distribution systems) and a strong network brand, which leads to the mutual strengthening of competitive positions and brands of hotels and firms in related industries and to the formation of complementary assets within an entire network. Companies enter the network in order to develop and transfer to each other the new competences, which is accompanied by the creation of key drivers in the competitiveness of a hotel network and communication rents.

To assess the specificity of the development of organizational culture among the components of organizational and cultural resources in the tourism business in Ukraine, we have devised a procedure for rapid evaluation of the level of development of organizational culture (Fig. 6).

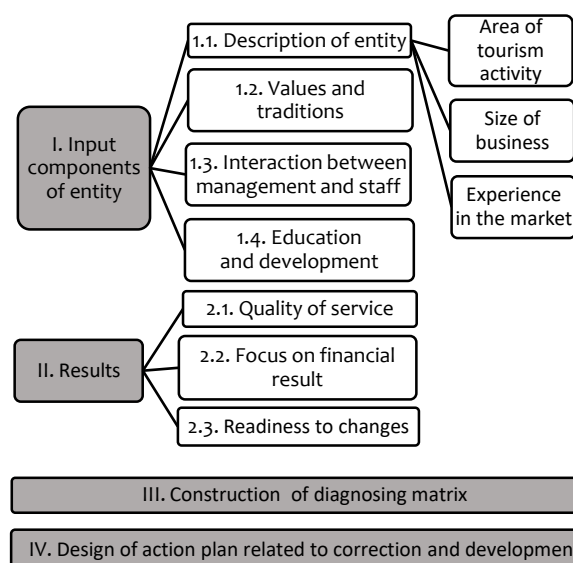


Fig. 6. Algorithm for the express evaluation of the level of development of the organizational culture at tourism business entities\*

\*Source: compiled based on (Kalnitska, 2018).

Based on the specified algorithm, a questionnaire was compiled, which similarly consisted of a two-stage analysis – input data and the results of activities by a business entity.

The survey was conducted among the tourism business entities from Dnepropetrovsk oblast – hotels, hotel-entertainment centers, cafés, restaurants, travel agents, insurers, and carriers. The survey engaged both managers at different levels of administration and average staff. We received and processed more than 180 questionnaires. An analysis of the results will be interpreted in the diagrams listed below.



Thus, first of all, a pattern has been identified implying that the longer a tourism business entity in the market the higher the overall index of its organizational culture (the level of organizational culture development) (Fig. 7). However, it is a clear trend that over the period of a company's activity, at the stage of development of approximately 7–10 years, it undergoes certain critical changes, which leads to a reduced level of organizational culture and, as a result, decreased organizational and cultural

resources. Such a phenomenon can be explained by phases in the development of a firm. In particular, this may be due to a crisis in leadership (Yang, 2007), when the leader's knowledge and skills are not enough, and the organization requires professional management and delegation of authority, or to the crisis of autonomy when the organization, as a result of its growth, experiences internal conflicts between the higher and lower levels of management.



Fig. 7. Indicators of the overall index of organizational culture depending on experience of a tourism business entity in the market\*

\*Source: compiled based on Author's calculations.

Development of organizational culture occurs simultaneously with the development of the organization. Similarly to an organization that undergoes certain stages of its life cycle during the process of its development takes, the organizational culture of any organization also passes certain phases in the process of its development. The stages in the life cycle of organizational culture coincide with the stages of the life cycle of the organization, while the formation and development of organizational culture occurs only in the process of setting up and further activities of the organization (Shein, 2016).

In addition, an analysis of the sub-index "Performance results" shows that at the beginning of their activities companies demonstrate higher indicators, which can explain the focus on the desire to enter the market with the best product and win over their own customers. However, the greatest attention to effective indicators of the organization is paid to over the period of 10–15 years (Table 3), which can relate to the fact that during this period special attention is paid to the performance of organizational culture, all business processes and key indicators of employees' performance (KPI) are compiled.

Table 3  
Results of calculating the index of organizational culture of tourism business entities\*

Entity experience in the market	Overall index of organizational culture	Sub-index "Input data to render services"	Sub-index "Performance results"
20–50 years	2.17	2.33	2.00
4–6 years	2.08	2.17	2.00
1 to 3 years	2.07	2.11	2.03
10–15 years	2.10	2.07	2.13
7–10 years	2.00	2.00	2.00
Total	2.08	2.12	2.04

\*Source: compiled based on Author's calculations.

Second, the findings of our research illustrated the direct dependence: the more employees an Organization employs, the higher the overall index of its organizational culture (Fig. 8).

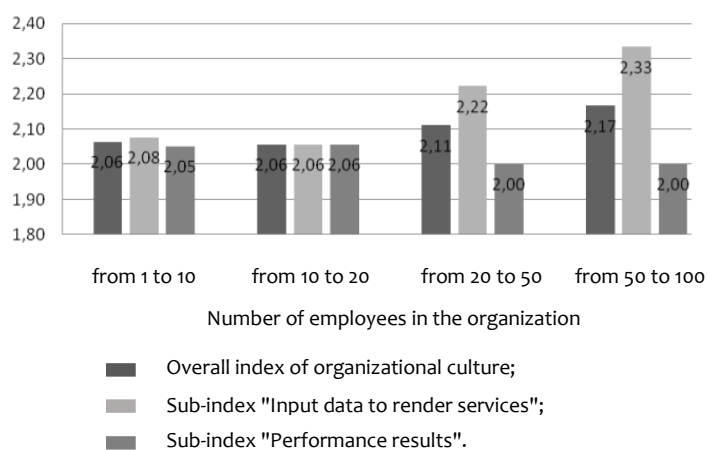


Fig. 8. Indicators of the overall index of organizational culture depending on the number of employees\*

\*Source: compiled based on Author's calculations.

Third, a direct interdependence was identified between the turnover of a company and the level of development of its organizational culture (Fig. 9).

Fourth, the study showed that the highest level of organizational culture had been demonstrated by tourism business entities that render restaurant services (Fig. 10). They are followed by hotels and tourist and entertainment centers.

As regards the characteristics of labor force in Ukraine's tourism sector, according to expert estimates (Noonan, 2017), labor market in tourism sector faces a real "hunger for human resources": travel companies lack about 50 % of middle-management employees and 80-90 % employees in higher management. At the same time, over 20 thousand of young professionals graduate from the specialized higher education institutions (HEIs) each year.

In tourism, a manager is a profession that enjoys the greatest demand. Especially popular are professionals that major in hotel and tourism business, tourism management, financial management in tourism, tour management, management of sports tourism, management of sanatoriums and resorts. Typically, managers work at companies – tour operators, engaged in the development and creation of tours. The main task of manager is to find and offer to experienced travelers new sights for exploring and relaxing, to create a route, to select closely located hotels, to determine which transportation means can deliver tourists (plane, train, etc.), to consider excursions. A future manager studies management subjects. These can be general ("marketing", "management", "HR") and specific, that is, directly related to the activities of travel agencies ("organization of inbound, outbound and domestic tourism", "quality of tourism services"). To train students to properly handle conflicts, one third of the schedule is devoted to psychological trainings and business games. For example, the situations that simulate an "angry customer" or a "client that distrusts you" are trained.

One of the most important factors in the attractiveness of investment into innovative activity of tourism industry is the

development of a clear-cut strategy for the competitiveness of Ukraine, as well as its business entities. In addition, all the components and elements of tourism activities should tap into the scientific and technical progress. Only such interaction among all elements in tourism industry can lead to substantial synergies, to be expressed as growth in tourism sector (Botha E., 2018). The winner in the end is the first one among competitors that will provide its tourism product with new consumer quality and properties and will be of interest to a consumer due to these innovations.

Innovative changes in tourism create internal energy of efficient growth. These changes disrupt the balance, but they create a basis for further development, a system's transition to the new quality. Therefore, professional introduction of innovations underlies the development of different fields. Modern experts in the development of society argue that none of the problems that businesses face these days is more important and more difficult than the challenge of innovations. In addition to the drivers in external environment that impede innovation processes in the development of tourism industry, a lot in the development of organizational culture and establishment of organizational and cultural resources depend on the internal environment. The factors of internal environment include:

- policy and strategy of a tourism business entity;
- the presence of a leader in the team;
- unconditional support for innovative ideas by top management;
- comprehensive promotion of innovations by managers and staff;
- the use of motivational systems that include various forms of rewarding creative and innovative activity;
- the presence of the innovation group;
- the required level of financial capabilities;
- developed communication systems;
- organizational and technical readiness for the implementation of innovation, a clearly planned system of personnel management, their intellectual potential.

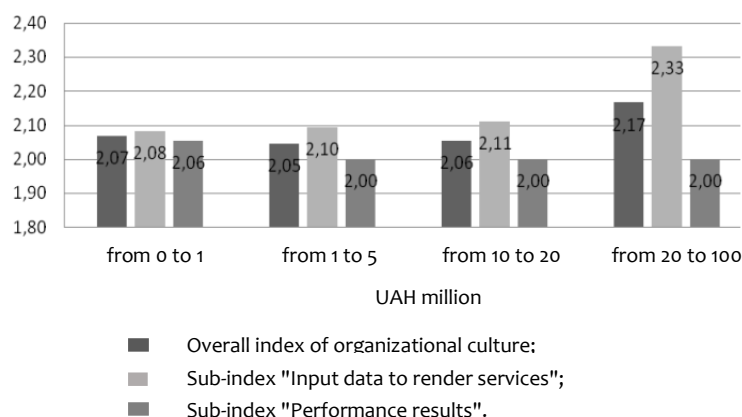


Fig. 9. Indicators of the overall index of organizational culture depending on the turnover of a company (UAH million)\*

\*Source: compiled based on Author's calculations.

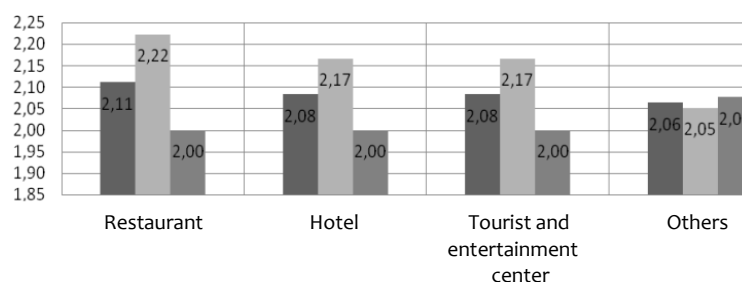


Fig. 10. Indicators of the overall index of organizational culture depending on the type of company business\*

\*Source: compiled based on Author's calculations.

In our opinion, in order to develop tourism in Ukraine, it is necessary to perform a series of tasks, which are as follows:

- a substantial extension of the network of tourist facilities and infrastructure;
- support for small businesses in the tourism sector;
- the development of international cooperation in the tourism sector;
- economic stimulation of material assets, tourism infrastructure, by attracting non-government sources, in particular foreign investment, for renovation and new construction of tourist objects;
- improvement of the system of information support of tourism industry, creating a local information and referral system for tourism, conducting active publicity activities;
- improvement of the system of training, retraining and advanced training of tourism personnel;
- conducting the necessary scientific research in the area of tourism;
- development and support of private sector.

In the process of market reforms in Ukraine, hotel businesses began to attract the attention of large corporations, various associations, as well as smaller companies and private entrepreneurs. Integration processes of the development of hotel business in the country are related to the activities of international hotel chains. Market research shows that the most popular type in the market of hotel services are so-called mini-hotels, rather than big hotel complexes. In this regard, many owners of houses, cottages, different buildings start to consider the idea of converting their real estate to small mini-hotels with a capacity from 7 to 50 rooms (Fernandes, 2018). In this case, they prefer both the facilities located in environmentally clean areas far away from the city noise and downtown hotels for business travelers. However, despite all the progress in the development of hotel business, there is a series of problems: the instability of business environment, bureaucracy and corruption, legal insecurity, lack of incentives to voluntarily categorize private accommodations of the hotel type. Business flounders when planning even in the short term, thus complicating the process of formation of organizational and cultural resources of tourism business in general.

## Conclusions

We have analyzed the current market of tourist services and identified the main trends of development, which show that the tourism industry in Ukraine and in the world is actively developing. We have illustrated the trend in the further development of this industry and identified an active increase in the number of accommodation facilities, specifically hotel chains. The rating of hotel brands has been compiled, which compares national and international hotel brands in terms of the number of accommodation facilities available in the tourist market. We have presented an authentic definition of the organizational and cultural resources in international tourism business and the position of organizational culture of business entities in the process of their development. An express algorithm has been proposed in order to assess the state of development of the organizational culture of a tourism business entity, which consists of two stages – assessment of an enterprise's input data and the results of its activities. Based on a given algorithm, we have compiled a questionnaire for the evaluation of the level of development of the organizational culture of a tourism business entity, sent out to the electronic addresses of tourism business entities in Dnipropetrovsk oblast. The results of the survey were processed, the following indicators of assessment were selected: the overall index of organizational culture, the sub-index "input data for rendering services", the sub-index "Performance results". The findings are summarized in the graphic material.

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